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SUBJECT: AGREEMENT TO LAUNCH THE INTERNATIONAL PARTNERSHIP
FOR ENERGY EFFICIENCY COOPERATION (IPEEC)

¶1. (SBU) Summary. Energy Ministers (or representatives) from major energy consuming countries (G8, Brazil, the People's Republic of China, India, the Republic of Korea, and Mexico), along with the European Union (EU) and International Energy Agency (IEA) agreed on December 18, 2008 to launch the International Partnership for Energy Efficiency Cooperation (IPEEC). This international agreement follows on the initial steps of the Energy Ministers' Declaration for the IPEEC in Aomori, Japan on June 8, 2008. As agreed by the members, the IPEEC will seek to enhance cost-effective ways to promote energy efficiency to address energy security, climate change, and economic growth challenges. The projected timeframe for the actual launch of IPEEC is February 2009. The IEA will host IPEEC, but will not direct its work. After members provided comments, all approved the joint statement of the IPEEC and its formal launch. End summary.

OPENING REMARKS FROM THE UK AND JAPAN

¶2. (SBU) UK Minister of Energy Mike O'Brien co-hosted the IPEEC Ministerial Meeting and stressed at the beginning of the meeting that "energy efficiency has never been more important." He called for cooperation in launching the IPEEC early in 2009 and noted IPEEC's goals are in line with the UK's energy policy. IPEEC Chair and Japanese Minister of Economy, Trade and Industry Toshihiro Nikai called on member countries to enhance energy efficiency policies through international cooperation. He referenced the declaration to form the IPEEC in the G8 meeting on June 8, 2008 in Aomori, Japan and remarked on the progress made to date. He welcomed Brazil and Mexico's participation and discussed the framework established for the IPEEC to be hosted at the IEA. Nikai then called on all ministers or their representatives to make comments.

COMMENTS FROM THE U.S. AND OTHER MEMBER COUNTRIES

¶3. (SBU) Deputy Secretary of Energy Jeffrey Kupfer expressed the USG's support of the IPEEC and also welcomed the expanded participation by Brazil and Mexico, in addition to that of existing members. He noted the USG supports the IEA as the host for the IPEEC secretariat and highlighted initiatives of the USG to improve energy efficiency. EU Energy Commissioner Andris Piebalgs echoed many of the same comments supporting the establishment of the IPEEC and the IEA's role. He noted

the relevance of the goals of the IPEEC to the EU's energy package. Italy highlighted its role in hosting the G8 in May 2009 in Rome and expressed support for discussing expanding the IPEEC at this meeting.

¶4. (SBU) Other comments from member countries included the Secretary of the India Ministry of Petroleum and Natural Gas R.S. Pandey, who expressed concern that the IPEEC remain completely independent from the IEA, with no budget or oversight. He also urged member countries to contribute funds toward the IPEEC. Pascal Schuster, Head of the Energy and Climate Change Unit at the French Ministry for Sustainable Development, called for the IPEEC to be transparent in carrying out its goals. Minister Chen Xiao Dong from China expressed concern that the IPEEC not be "legally binding," but noted his overall support. Brazilian Minister of Mines and Energy Edison Lobao expressed his support of IPEEC and claimed Brazil produces 81 percent of its electricity from hydropower. Ministerial representatives from Russia, Mexico, Germany, and Canada made similar comments regarding their general support for IPEEC and of the IEA hosting arrangement.

¶5. (SBU) IEA Executive Director Nobuo Tanaka called the IPEEC a great opportunity to address the economic and energy crisis. He stressed the need for increased investment in energy saving measures and called this a "win-win" for everyone. He expressed the IEA's strong support in hosting the IPEEC. He urged the member states to use the IEA's technical capabilities and knowledge when the IPEEC is launched in early 2009.

CLOSING STATEMENTS

¶6. (SBU) Chair Toshihiro Nikai closed the session by thanking the members for their remarks and contributions to supporting the launching of the IPEEC. After highlighting the significance of the agreement, Nikai then called the IPEEC joint statement adopted by member states. Minister O'Brien thanked Toshihiro Nikai for Japan's leadership of the IPEEC. Nikai noted he would remain as chair until the IPEEC is formally launched in 2009.

TEXT OF JOINT STATEMENT

¶7. (U) A copy of the text of the Joint Statement agreed upon by the members of the IPPEC on December 18, 2008 follows:

(U) The Energy Ministers, or their designated representatives, from the major energy consuming countries including G8, Brazil, the People's Republic of China, India, the Republic of Korea and Mexico, the European Energy Commissioner and the Executive Director of the International Energy Agency (IEA) met in London on 18 December 2008 to review the progress towards, and provide political guidance to finalize the terms of association for the establishment of the International Partnership for Energy Efficiency Cooperation (IPEEC), following the Energy Ministers' Declaration for an International Partnership for Energy Efficiency Cooperation (IPEEC) adopted in Aomori on 8 June 2008.

(U) We offer this as a contribution to the London Energy Ministers Meeting on 19th December 2008.

¶1. (U) We recognize again that improving energy efficiency is one of the quickest, greenest, and most cost-effective ways to address energy security, climate change, and ensure economic growth, and reaffirm that this can be further enhanced through the IPEEC.

¶2. (U) We also reaffirm that the IPEEC will serve as a high-level forum for facilitating broad actions that yield high energy efficiency gains, where participating countries see an added value. They include supporting on-going work of the participating countries and relevant organizations,

exchanging information on best practices, policies and measures and developing public-private partnerships in key energy consuming sectors as well as on a cross-sectoral basis.

¶3. (U) We welcome the on-going work for the preparation of the IPEEC, and endorse the results that have been achieved under the Chairmanship of Japan. We note with satisfaction that we were able to determine the fundamental terms of association for the IPEEC before the deadline set by the Aomori Energy Ministers Meeting. We will establish this partnership and commence its operation as early as possible in 2009 according to the following principles.

--Participants are committed to establish the IPEEC, based on the principle of equitable and voluntary participation.

--The IPEEC will be established as an international partnership based on the basic framework reached at the third IPEEC preparatory meeting.

-In order to ensure the sustainability and consistency of the IPEEC activities, a dedicated Secretariat will be established. The IPEEC Secretariat will be hosted at the IEA, so that the IPEEC can make full use of the knowledge, experiences and capacity of the IEA. The Secretariat will be open for participation to all the member countries of the IPEEC. It will report to, and receive its guidance from, the IPEEC Executive Committee.

--The IPEEC will exchange views and seek collaboration with other international organizations and bodies, to achieve synergies and avoid duplication of efforts.

¶4. (U) Based on what has been achieved in the preparatory process, we instruct our officials to accelerate the process for finalizing the IPEEC framework. We appreciate Japan's chairmanship and willingness to continue this role until the work to establish IPEEC is completed.

¶5. (U) We reaffirm that we would like to invite all interested countries to join the IPEEC after its formal establishment.

¶6. (U) DOE clearance received January 23, 2009.

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